

Public Service Commission of Wisconsin
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MWW Six Year Funding Plan at 5.38% Rate of Return**Main Replacement: 15 Miles in 2015-17, 18 Miles in 2018-19, 20 Miles in 2020****Net Income Calculation**

	2014	2015	2016	2017	2018	2019	2020
Operating Revenue	\$90,268,355	\$88,000,000	\$88,440,000	\$88,882,000	\$89,326,000	\$89,773,000	\$90,222,000
Non-Operating Revenue	\$4,597,866	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Total Revenue		\$92,000,000	\$92,440,000	\$92,882,000	\$93,326,000	\$93,773,000	\$94,222,000
O&M Expenses	\$49,028,672	\$50,009,000	\$51,009,000	\$52,029,000	\$53,070,000	\$54,131,000	\$55,214,000
Depreciation	\$14,109,431	\$14,509,000	\$14,909,000	\$15,309,000	\$15,709,000	\$16,109,000	\$16,509,000
PILOT	\$13,656,828	\$14,007,000	\$14,357,000	\$14,707,000	\$15,057,000	\$15,407,000	\$15,757,000
Debt Service		\$5,200,000	\$5,204,000	\$5,017,000	\$5,812,000	\$5,826,000	\$7,319,000
Total Operating/Debt Service Needs		\$83,725,000	\$85,479,000	\$87,062,000	\$89,648,000	\$91,473,000	\$94,799,000
Net Income		\$8,275,000	\$6,961,000	\$5,820,000	\$3,678,000	\$2,300,000	-\$577,000

Capital Financing Plan

	2014	2015	2016	2017	2018	2019	2020
Net Income		\$8,275,000	\$6,961,000	\$5,820,000	\$3,678,000	\$2,300,000	-\$577,000
Plus: Depreciation		\$14,509,000	\$14,909,000	\$15,309,000	\$15,709,000	\$16,109,000	\$16,509,000
Cash Available for Capital		\$22,784,000	\$21,870,000	\$21,129,000	\$19,387,000	\$18,409,000	\$15,932,000
Capital Mains		\$19,500,000	\$20,085,000	\$20,685,000	\$25,560,000	\$26,334,000	\$30,140,000
Capital Non-Mains		\$5,450,000	\$11,690,000	\$11,125,000	\$10,445,000	\$10,950,000	\$10,300,000
Pre-2015 Capital		\$8,000,000	\$1,000,000	\$0	\$0	\$0	\$0
Total Capital Needs		\$32,950,000	\$32,775,000	\$31,810,000	\$36,005,000	\$37,284,000	\$40,440,000
Additional Cash Needed (New Borrowing)		\$10,166,000	\$10,905,000	\$10,681,000	\$16,618,000	\$18,875,000	\$24,508,000

Pre-existing debt service		\$5,200,000	\$4,400,000	\$3,350,000	\$3,300,000	\$2,000,000	\$2,000,000
New 2015 debt service			\$804,000	\$804,000	\$804,000	\$804,000	\$804,000
New 2016 debt service				\$863,000	\$863,000	\$863,000	\$863,000
New 2017 debt service					\$845,000	\$845,000	\$845,000
New 2018 debt service						\$1,314,000	\$1,314,000
New 2019 debt service							\$1,493,000
Total Debt Service		\$5,200,000	\$5,204,000	\$5,017,000	\$5,812,000	\$5,826,000	\$7,319,000

Assumptions: Operating Revenue- 2.5% decline in consumption & 3% simplified rate increases net to 0.5% revenue growth in '16-'20; Depreciation- \$400k added annually for replacement of old main; Operating Expenses- 2% annual growth in expenses, \$350k added annually for PILOT; Debt Financing- 20 yr Revenue Bonds at 4% interest with 7.5% reserve and issuance cost; Capital Mains- 15 miles in 2015, 2016, & 2017, 18 miles in 2018 & 2019, 20 miles in 2020, \$1.3m per mile in 2015, 3% annual inflation